

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF PUERTO RICO

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<i>In re</i>	:	
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THE FINANCIAL OVERSIGHT AND	:	PROMESA
MANAGEMENT BOARD FOR PUERTO RICO,	:	Title III
	:	
as representative of	:	Case No. 17-BK-3283-LTS
	:	
THE COMMONWEALTH OF PUERTO RICO,	:	(Jointly Administered)
<i>et al.</i> ,	:	
	:	
Debtors. <sup>1</sup>	:	
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In re	:	
	:	
THE FINANCIAL OVERSIGHT AND	:	PROMESA
MANAGEMENT BOARD FOR PUERTO RICO,	:	Title III
	:	
as representative of	:	Case No. 17-BK-4780-LTS
	:	
PUERTO RICO ELECTRIC POWER AUTHORITY	:	(Jointly Administered)
	:	
Debtor.	:	
-----	X	
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**FINCA MATILDE INC OBJECTION TO THE CONFIRMATION OF THE PUERTO  
RICO ELECTRIC POWER AUTHORITY'S PLAN OF ADJUSTMENT**

TO THE HONORABLE COURT:

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<sup>1</sup> The Debtors in these Title III Cases, along with each Debtor's respective Title III case number and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority ("HTA") (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); and (v) Puerto Rico Electric Power Authority ("PREPA") (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747). (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations.).

Pursuant to the Court's *Third Amended and Restated Order Establishing, Among Other Things, Procedures and Deadlines Concerning Objections to Confirmation and Discovery in Connection Therewith* (ECF No. 24376), Finca Matilde Inc a creditor and thus , a party-in-interest herein, respectfully submits this objection to the *Modified Second Amended Title III Plan of Adjustment of the Puerto Rico Electric Power Authority* (ECF No. 23663)(ECF 3304), and in support, states as follows:

### **I. PRELIMINARY STATEMENT**

1. Section 1128(b) of the Bankruptcy Code, made applicable in cases under Title III of the Puerto Rico Oversight, Management, and Economic Stability Act (PROMESA), provides that “[a] party in interest may object to confirmation of a plan.” 11 U.S.C. § 1128(b). See also, 48 U.S.C. § 2161.

2. Section 1128 does not provide any guidance as to who or what constitutes a “party in interest.” However, Section 1109(b) defines a party in interest to include the debtor, a trustee, a creditor, an equity security holder, a creditors’ or equity security holders’ committee, or an indenture trustee. See 11 U.S.C. § 1109(b) & 48 U.S.C. § 2161.

3. Courts broadly define a party in interest to include anyone with a financial interest in the case, or, in some cases, a legal interest. Savage & Assocs. v. K & L Gates (In re Teligent, Inc.), 640 F.3d 53, 60 (2nd Cir. 2011); See also In re Global Indus. Techs., Inc., 645 F.3d 201, 210-15 (3d Cir. 2011).

4. Finca Matilde Inc is a party in interest withstanding to object to the confirmation of the *Plan of Adjustment* as it will be directly, adversely, and pecuniarily affected by its implementation. See Section 1128 Title 11 USCA, as made applicable to PROMESA 48 USCA§ 2161(a).

5. Finca Matilde Inc. is a domestic corporation organized under the Laws of the Commonwealth of Puerto Rico, and has a final judgment by stipulation for just compensation dated March 30, 2023.

6. Finca Matilde Inc. joins Isla del Rio Inc’s. Objection to Confirmation of the Modified second Amended Title III Plan of Adjustment of Puerto Rico Power of Authority, [ECF No 3704]

## II. FACTUAL AND PROCEDURAL BACKGROUND

7. On July 2, 2017, the Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”) initiated the instant Title III case for PREPA.

8. After various procedural filings, on December 16, 2022, the Oversight Board filed the *Title III Plan of Adjustment of the Puerto Rico Electric Power Authority* (ECF No. 23094).

9. On February 9, 2022, the Oversight Board filed the *First Amended Title III Plan of Adjustment of The Puerto Rico Electric Power Authority* (ECF No. 23506).

10. On March 1, 2023, the Oversight Board filed the *Modified Second Amended Title III Plan of Adjustment of the Puerto Rico Electric Power Authority* (the “*Plan of Adjustment*”, ECF No. 23663) and the *Disclosure Statement for the Modified Second Amended Title III Plan of Adjustment of the Puerto Rico Electric Power Authority* (ECF No. 23664).

11. On March 3, 2023, the Court entered an *Order* approving the adequacy of the information contained in the *Disclosure Statement for the Modified Second Amended Title III Plan of Adjustment of the Puerto Rico Electric Power Authority* (the *Order Approving Disclosure Statement*” ECF No. 23675) and setting distribution, election and voting procedures as well as confirmation deadlines.

12. After various procedural filings, on May 31, 2023, the Court entered a *Third Amended and Restated Order Establishing, Among Other Things, Procedures and Deadlines Concerning Objections to Confirmation and Discovery in Connection Therewith* (the “*Third Amended and Restated Order*”, ECF No. 24376), setting forth, among other things, the deadline to file an objection to the *Plan of Adjustment*.

13. Pursuant to the *Third Amended and Restated Order*, the deadline to file an objection to the Plan of Adjustment lapses today, June 12, 2023. *Id.* at 5.

14. Finca Matilde Inc. submits this objection to confirmation of the *Plan of Adjustment* in compliance with the *Third Amended and Restated Order*.

15. To confirm the *Plan of Adjustment*, the Debtors must show that the Plan complies with the applicable provisions of title 11 of the Bankruptcy Code, made applicable to this case by Section 301 of PROMESA. See 48 U.S.C. § 2174(b)(1). Additionally, the Debtors must show that the Plan complies with the provisions of title III of PROMESA. 48 U.S.C. § 2174(b)(2). The Debtors, as plan proponent, bear the burden of proving that the Plan satisfies all of these

prerequisites by a preponderance of the evidence. See In re Salem Suede, Inc., 219 B.R. 922, 932 (Bankr. D. Mass. 1998)

16. The Title III court shall confirm a plan of adjustment so long as certain requirements are met, including that: the debtor is not prohibited by law from taking any action necessary to carry out the plan; . . . impairment and dischargeability of Just Compensation awards is prohibited by law thus the Plan as filed cannot be confirmed. Fin. Oversight & Mgmt. Bd. for P.R. v. Cooperativa de Ahorro & Credito Abraham Rosa et al 41 F.4th 28 (1st Cir. 2022) (citation omitted).

### **III. CONCLUSION**

17. In conclusion, this Court should not confirm the *Plan of Adjustment* because it does not meet the requirements under PROMESA. Additionally, confirmation of the *Plan of Adjustment* would cause great prejudice to the appearing party.

### **IV. PRAYER FOR RELIEF**

WHEREFORE, Finca Matilde Inc. respectfully prays the Court take notice of the above stated and deny the confirmation of the *Modified Second Amended Tittle III Plan of Adjustment* of Puerto Rico *Power Authority*.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, on this 12<sup>th</sup> day of June 2023.

### **CERTIFICATE OF SERVICE**

WE HEREBY CERTIFY that on this same date, we electronically filed the foregoing with the Clerk of the Court, using the Next Gen CM/ECF system, which will send notification of such filing to all Next Gen CM/ECF participants in this case, including the Oversight Board's counsel, the U.S. Trustee for Region 21, and all parties that requested notice. We further certify, that in compliance with the *Sixteenth Amended Case Management Order* (the "*CMP Order*", ECF No. 20190-1) a copy of this motion will be served via regular or electronic mail to the Standard Parties listed in the *CMP Order* and the parties included in the Master Service List maintained by the Claims and Noticing Agent appointed in this Case.

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